
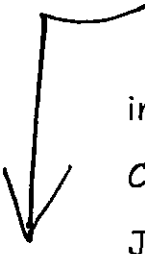


Representative Rowland: Make that process a little less cumbersome on you guys. If it's something that we need to do as a legislative body, I am sure we would be willing to discuss it.



We all applaud you for the fiscal restraints you are trying to maintain in this. I did a little reseARCh, and I understand we have been utilizing Comcare roughly for twenty years. There was an audit done for the period July 1, 1995 to June 30, 1996 on Comcare with findings that included overpayments of \$22,905.60 that needed to be refunded back to the State of Tennessee by Comcare. They had billed us for things that were not billable. The report does indicate that they paid that back, and I am taking the report's word for that. The point I'd like to make is there has not been an audit since. If you have a vendor that has obviously overcharged us, that to me would be a flag that at least internally continue to do audits on them periodically. The audit I am looking at is almost ten years old, and there's not been an audit since that I can find. I would like to know where we stand with the financial reviews of this company.

Mr. Hix: Is that audit issued by the State Comptroller, or is that one that was initiated internally within the division?

Representative Rowland: It's my understanding it was done by the State Comptroller's office.

Mr. Hix: Does it show that they were satisfied that the vendor did in fact reimburse the State of Tennessee for those expenses?

Representative Rowland: Yes.

Mr. Hix: The division's policy at present is that we have a field audit team and we on an annual basis conduct an onsite audit of each vendor that we do business with whose annual reimbursement exceeds \$100,000. So to

that, yes, we will be visiting Comcare during the course of this fiscal year, and we will do a spot audit. If we find problems with that spot audit, then from there we may open it up and look at a full 12-month window. Was that audit some ten years old?

Representative Rowland: 1995-96, not quite ten years old.

Mr. Hix: I do not recall the audit of Comcare as being a problem for this last fiscal year. I will be glad to provide members of the Committee with the audit review that was conducted for the last fiscal year.

Representative Rowland: Give me a little more explanation of the spot audit.

Mr. Hix: We will go in and look at a month's worth of billings, and we will have an identity of clients. It may be twenty-five clients that we are going to look at. We will look at whether those services they billed for were in fact authorized under the contract - did you actually provide these services - what kind of documentation do you have? So, we are taking a pretty hard look within that spot audit to see if they meet all the criteria and expectations of the scope of work under this contract.

Representative Rowland: Thank you for that.

I am looking over the media report from the situation with the ARC. Representative Vincent is no longer with us, so I can't say with 100% certainty. I know Representative Vincent, and I remember when this issue came up. We had several discussions in my office regarding it. This news article quotes Representative Vincent as saying the contract with Comcare will be rebid in the spring, a year early. He would not have said that if someone in your department had not assured him that because of this situation, it was going to be rebid. If I need to get Jim here to attest to